

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about what action you should take, you are recommended immediately to seek advice from your legal, tax and other professional advisers.

If you have sold or otherwise transferred all of your shares in VinaCapital Vietnam Opportunity Fund Limited, please forward this document, together with the accompanying form of proxy at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

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# **VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED**

(an exempted company incorporated in the Cayman Islands with registered number CR-124038)

## **PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**

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A letter from the Chairman of the Company is set out on pages 2 to 4 of this document.

Notice of an Extraordinary General Meeting ("**EGM**") of the Company to be held at 11.00 am (Hong Kong time) on Wednesday, 17 June 2009 at the Pacific Alliance Group's office at 3<sup>rd</sup> Fl., St. John Building, 33 Garden Road, Central, Hong Kong is set out on pages 5 to 7 of this document. A form of proxy for use at the meeting accompanies this document and, to be valid, must be completed and returned in accordance with the instructions set out thereon as soon as possible by mail or by facsimile but in any event so as to reach:

**HSBC Institutional Trust Services (Asia) Limited  
39/F, Dorset House, Taikoo Place  
979 King's Road, Hong Kong  
Attn: Investor Services – AFS**

Or

**Fax: +852 3409 2690  
Attn: Investor Services – AFS**

**By no later than 6.00pm (Hong Kong Time) / 11.00am (London Time) on Friday, 12 June 2009**

# VinaCapital Vietnam Opportunity Fund Limited

## Directors:

William Vanderfelt (Chairman)  
Jonathan Choi  
Horst F. Geicke  
Don Lam  
Martin Glynn  
Bernard C. Grigsby

(all non-executive)

(Horst Geicke and Don Lam are Executives of the Investment Manager)

## Registered Office:

PO Box 309  
Ugland House  
KY1-1104  
Grand Cayman  
Cayman Islands

Dated: 19 May 2009

To all holders ("**Shareholders**") of ordinary shares of US\$0.01 each ("**Ordinary Shares**")

Dear Shareholder

## Introduction

In a circular to Shareholders dated 6 October 2008, the Company sought Shareholder approval to make important changes to its articles of association (the "**Articles**"). The purpose of these changes was to align the Articles with specific regulatory and legislative changes that had occurred over time, address the economic realities governing a \$600 million fund that began as a \$10 million fund five years ago, and to create a greater degree of consistency among the constitutional documents for the three closed-end funds managed by VinaCapital Investment Management Ltd (the "**Investment Manager**").

The proposed changes included authority to establish a permanent share buy back mechanism, which is particularly important during times of market instability, as well as a first time increase in the amount available to compensate the Company's independent, non-executive Directors.

At the Company's extraordinary general meeting held on 21 October 2008, all of the proposed resolutions were passed except for the two resolutions described above. The Board and the Investment Manager continue to believe it is important for the Company to take these actions as they are in the best interests of Shareholders. Therefore, after consultation with the Investment Manager, the Board is convening another extraordinary general meeting to present these specific resolutions for Shareholder consideration and approval. Furthermore, the Board would specifically like to point out that the proposal in relation to Directors' compensation has, with the agreement of the Investment Manager, been modified so that, if passed, the resolution has no material financial effect on the Company.

Further details of these matters are set out below.

## Amendments to Articles of Association (Resolutions 1 to 3)

The exact text of the proposed changes to the Articles is set out in full in resolutions 1 to 3, however, for ease of reference for Shareholders a black-lined copy of the proposed new Articles highlighting all of the proposed amendments can be viewed at the Company's website at [www.vietnam-opportunity-fund.com](http://www.vietnam-opportunity-fund.com)

### Article 125 – Increase in authorised aggregate total compensation for independent directors

The Company does not compensate its non-independent directors.

The Company does compensate its independent, non-executive Directors and is proposing to increase the aggregate total amount of such compensation for independent directors as a group during any fiscal year to US\$300,000.

The total amount of fees payable to the Company's three independent Directors for the year ended 30 June 2009 is expected to be approximately US\$240,000.

The rationale for the proposed increase is based on the following factors:

1. The total compensation amount includes fees for serving on the Board and serving on the Board's three Committees. Currently the Board meets each quarter, and at other times as necessary. Each of the three Committees of the Board meets as necessary such that, on average, a total of 10 Committee meetings are held each year;
2. The Board is comprised of three independent Directors and three non-independent Directors and it is anticipated that a fourth independent director will be added to comply with the new board independence proposals of the AIM Rules for Investment Companies.
3. When the Company was organized in 2003, it was determined that total aggregate compensation of US\$60,000 would be sufficient for the Directors of a small fund with a US\$10 million portfolio. Five years and several hundred million dollars of portfolio assets later, this is no longer the case. Not only has the number of independent Directors increased in line with corporate best practice, but the time and commitment required of these Directors has increased substantially with the growth of the Company given their duties as fiduciaries.

The Board believes the Company must be allowed to compensate its independent Directors adequately in order to ensure the Company attracts and retains high quality leadership which is in the best interests of all shareholders. To this extent, the Company has considered the increased responsibilities and workload of directors and compared the current remuneration level against amounts currently provided to independent directors of other AIM investment companies of similar size and stature. Based upon this analysis, the Company has determined that the current level of Board remuneration is inadequate and unnecessarily exposes the Company to significant risk.

The Board recognize that in these challenging times, it is difficult to support increased costs for any business. Consequently, it has been agreed that the Investment Manager will reduce the annual management fee payable by the Company to the Investment Manager by an amount equivalent to the difference between the amount actually paid to the independent Directors (following an adjustment of the independent Directors' fees) and US\$60,000 (the cap currently set out in the Articles of Association). This will mean that the increase in independent Directors' fees will not result in any additional cost to the Company.

#### *Articles 17 and New Article 17A – Redemption and Repurchase of Shares*

The Company is proposing to rationalise the powers of the Company to purchase its own shares. The intention of this change is to give the Company a permanent general authority to purchase its shares provided that:

- purchases are made for cash at prices below the prevailing net asset value per share; and
- the price to be paid per share is not more than the higher of: (i) five (5) per cent. above the volume weighted average price of the shares for the five (5) business days before the purchase is made; or (ii) the higher of the price of the last independent trade and the highest current independent bid at the time of purchase.

The Board believes this general authority will give greater flexibility to the Company in the timing of share buy-backs allowing it to react more quickly to market movements and actively manage any discount that may arise between the quoted price of the shares and their underlying net asset value.

The laws of the Cayman Islands, where the Company is domiciled, currently preclude the direct holding by a Cayman Islands company of treasury shares (all repurchased shares must be immediately cancelled and returned to the pool of authorised but unissued shares of the Company).

Under Cayman Islands law there is no restriction preventing a wholly-owned subsidiary from purchasing or holding shares in its parent company. Consequently, through the use of a share purchase subsidiary ("SPS") the Company could effectively replicate a treasury share facility. It is intended therefore to insert a new Article 17A into the Articles to give the Company the flexibility to purchase shares via a SPS if considered appropriate. Shares purchased by an SPS will need to comply with the same general share

purchase conditions imposed on the Company under Article 17 (as set out above) and at no time will one or more SPSs be allowed to hold in aggregate more than 15 per cent. of the Company's issued share capital from time to time.

### **Extraordinary General Meeting**

Shareholder resolutions to amend the Company's Articles will be proposed at the Company's EGM to be held at 11.00 am (Hong Kong time) on Wednesday, 17 June 2009 at the Pacific Alliance Group's office at 3<sup>rd</sup> Fl., St. John Building, 33 Garden Road, Central, Hong Kong.

Whether or not you intend to attend the EGM, Shareholders are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible by mail or by facsimile but in any event so as to reach:

**HSBC Institutional Trust Services (Asia) Limited  
39/F, Dorset House, Taikoo Place  
979 King's Road, Hong Kong  
Attn: Investor Services – AFS**

or

**Fax: +852 3409 2690  
Attn: Investor Services – AFS**

**By no later than 6.00 pm (Hong Kong Time) / 11.00am (London Time) on Friday, 12 June 2009.**

The completion and return of a form of proxy will not prevent a Shareholder from attending the EGM and voting in person if he/she wishes to do so. A holder of shares (or the beneficial title thereto) must first have his or her name entered on the register of members (or where shares are held in Euroclear and/or Clearstream by the relevant nominee on behalf of such holder, be beneficially entitled to such shares by) not later than 7.00am (London time) on 18 May 2009. Changes to entries in that register after that time shall be disregarded in determining the rights of any holders to attend and vote at such meeting (or to provide voting instructions to the relevant Euroclear and/or Clearstream nominee).

The quorum for the EGM is two Shareholders present in person or by proxy and entitled to vote at the meeting. In the event that a quorum is not achieved, the EGM will be adjourned until the same time on 24 June 2009, and the adjourned EGM will be held at the same place as the originally scheduled meeting. The quorum for such adjourned EGM is one Shareholder present in person or by proxy.

If you have any queries regarding the EGM please contact the Investment Manager on +852 2918 0088. (Please note that the Investment Manager can only give procedural advice in relation to the meeting and is not authorised to provide investment advice).

### **Recommendation**

The Directors, whose beneficial or controlled holdings collectively total 3,400,859 Shares, will be voting in favour of the resolutions at the EGM. The Directors consider the proposals outlined in this document to be in the best interests of the Company and recommend that Shareholders vote in favour of the resolutions to be proposed at the EGM.

Yours sincerely

**William Vanderfelt**  
*Chairman*

**VINACAPITAL VIETNAM OPPORTUNITY FUND LIMITED****NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of the Company will be held at the 11.00 am (Hong Kong time) on Wednesday, 17 June 2009 at the Pacific Alliance Group's office at 3<sup>rd</sup> Fl., St. John Building, 33 Garden Road, Central, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as special resolutions:

**SPECIAL RESOLUTIONS****Resolution 1 – Increase in Authorised Aggregate Total Compensation for Independent Directors**

1. THAT current article 125 of the Company's Articles of Association be amended by deleting the words "aggregate remuneration paid to all Directors shall not exceed \$60,000" and replacing it with "aggregate total remuneration paid to independent Directors as a group shall not exceed US\$300,000".

**Resolution 2 - Redemption and Repurchase of Shares**

2. THAT the Articles be and are hereby amended by the deletion in its entirety of the current article 17 of the Articles and its replacement with the following:

"Subject to the provisions of the Statute, the Company may purchase from any of its Members (including its subsidiaries as established pursuant to Article 17A) its own Shares (including redeemable Shares) provided that the Members shall have approved the manner of purchase by Ordinary Resolution or that the manner of purchase is as follows (this authorisation is in accordance with section 37(2) of the Statute or any modification or re-enactment thereof for the time being in force):

- 17.1 for so long as the Company has any of its Shares admitted to trading on AIM, or any successor market or any other market operated by London Stock Exchange plc or any successor, the Company is authorised to purchase such Shares in accordance with the following manner of purchase:

- 17.1.1 the maximum number of Shares that may be repurchased shall be equal to the number of issued and outstanding Shares less one Share;

- 17.1.2 the repurchase shall be at such time; at such price and on such terms as determined and agreed by the Directors at their sole discretion so long as the following conditions are met:

- 17.1.2.1 the purchases are made for cash at prices below the prevailing Net Asset Value per Share;

- 17.1.2.2 the price to be paid per Share is not more than the higher of (i) five per cent. above the volume weighted average price of the Shares for the five business days before the purchase is made; or (ii) the higher of the price of the last independent trade and the highest current independent bid at the time the Company purchases, or commits to purchase, the Shares (as the case may be);

- 17.1.2.3 in the case of a general tender offer made by the Company to all Shareholders to purchase Shares (with the exception of any Shareholders deemed by the Directors in their sole discretion to be ineligible to receive such offer due to legal, tax or regulatory reasons in any jurisdiction) on the same terms, the applicable purchase price for the purposes of articles 17.1.2.1 and 17.1.2.2 above (or, as applicable, the parameters of, or formula for determining, the purchase price if not fixed) and the timing and other conditions of the tender offer may be determined and fixed at the time the terms of such tender offer are circulated to Shareholders and any such purchase shall be effected at

the Directors' discretion, on a pro rata basis among those Members whose tender applications are properly made and accepted;

- 17.1.2.4 the price to be paid per Share is not less than the applicable par value of such Share;
- 17.1.2.5 such repurchase transaction shall be in accordance with the rules of AIM (as amended from time to time); and
- 17.1.2.6 at the time of repurchase, the Company is able to pay its debts as they fall due in the ordinary course of business;

and the holder of the Shares being purchased shall be bound to deliver to the Company at its registered office or such other place as the Directors shall specify, the certificate(s) (if any) thereof for cancellation and thereupon the Company shall pay to him the purchase monies or consideration in respect thereof

### Resolution 3– Share Purchase Subsidiaries

3. THAT the Articles be and are hereby amended by the insertion of a new article 17A as follows:

"17A The Company may establish one or more wholly-owned subsidiaries, which may purchase Shares either directly from the Company (by the allotment of new Shares) or from third parties (by the purchase of existing issued Shares) provided that:

17A.1 in the case of purchases of existing issued Shares from third parties, the purchase conditions specified in Articles 17.1 are satisfied in relation to any such purchase;

17A.2 the aggregate number of Shares held by all of the Company's wholly-owned subsidiaries shall not at any time exceed 15 per cent. of the then issued share capital of the Company; and

17A.3 any such purchase complies with all applicable laws relating to the Company and such subsidiary."

Dated: 19 May 2009

Registered Office:  
PO Box 309  
Ugland House  
KY1-1104  
Grand Cayman  
Cayman Islands

By Order of the Board  
HSBC Trustee (Cayman) Limited  
Administrator

Notes:

1. A Shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him or her. A proxy need not be a member of the Company. A form of proxy is enclosed with this notice. Completion and return of the form of proxy will not preclude members from attending or voting at the meeting, if they so wish.
2. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power of attorney) must be deposited with:

**HSBC Institutional Trust Services (Asia) Limited**  
**39/F, Dorset House, Taikoo Place**  
**979 King's Road, Hong Kong**  
**Attn: Investor Services – AFS**

**by no later than 6.00 pm (Hong Kong Time) /11.00am London Time on Friday, 12 June 2009.**

The Company will also accept faxed copies of completed proxies sent to:

**+852 3409 2690**  
**Attn: Investor Services – AFS**

**by no later than 6.00 pm (Hong Kong Time) / 11.00am (London Time) on Friday, 12 June 2009.**

3. *A holder of Shares (or the beneficial title thereto) must first have his or her name entered on the register of members (or where Shares are held in Euroclear and/or Clearstream by the relevant nominee on behalf of such holder, be beneficially entitled to such Shares by) not later than 7.00 am (London time) on 18 May 2009. Changes to entries in that register after that time shall be disregarded in determining the rights of any holders to attend and vote at such meeting (or to provide voting instructions to the relevant Euroclear and/or Clearstream nominee).*
4. *A black-lined copy of the proposed new articles of association highlighting all of the proposed amendments can be viewed at the Company's website at [www.vietnam-opportunity-fund.com](http://www.vietnam-opportunity-fund.com)*